SUD Life Group Employee Benefit Plan

Non-Linked Non-Participating Group Saving Insurance Product

UIN: 142N080V01

SUD Life Group Employee Benefit Plan is a Non-Linked Non-Participating yearly renewable group savings insurance product, which is especially designed to cater to the needs of employers who want to fund employees retirement benefits (Defined Benefit Liabilities only) such as Group Gratuity, Leave Encashment, Superannuation, Post-Retirement Medical liabilities.

Features

1. This group plan covers the following group scheme:
    - Gratuity
    - Leave Encashment
    - Post-Retirement Medical Benefit
    - Superannuation
2. This scheme helps in building a substantial fund to manage employees liabilities
3. Uniform life cover of Rs. 5000 per member as death sum assured will be provided

Eligibility Criteria

Minimum age at entry	18 years
Maximum age at entry	79 years
Maximum age at maturity	80 years
Minimum Group Size	10 Members
Maximum Group Size	No Limit
Minimum initial contribution	Rs. 100,000/-
Maximum contribution	No Limit
Sum Assured (other than Superannuation)	Flat Rs. 5,000/- per Member
Sum Assured (Superannuation)	Nil
Minimum policy term	1-year renewable insurance
Payment modes	Contribution to fund anytime throughout the policy term.

How Does This Plan Work?

- The employer/trustee (who will be the master policyholder) can opt for Group Gratuity, Leave Encashment, Superannuation or Post-Retirement Medical liabilities.
- The regular contribution required for the chosen scheme will be determined as per Scheme rules.
- A uniform life cover of Rs. 5000 per member will be provided. A charge of Rs.1 per 1000 sum assured per member per annum will be deducted from the Policy Account Value at the start of each month.
- A Guaranteed interest rate (minimum floor rate) of 0.10% per annum plus non-negative additional interest rate (if any) will be declared at the end of each financial year and will apply on the Policy Account Value every day on a pro-rata basis to determine the total investment income accruing to the policy account for the financial year. It will be credited into the policy account at the end of the year.
- Allocation Charges and Mortality Charges will be deducted from the fund as mentioned under section “Charges” below.
- A Policy Account statement will be issued at the end of each financial year to the employer (master policy holder) giving the breakup of the closing balance, premium received, deduction towards charges, minimum guaranteed interest earned, additional interest earned as applicable, non-negative residual interest rate credited (if any) and closing balance.

Plan Benefits

Death:

- Gratuity, Leave Encashment and Post-Retirement Medical Benefit: Benefit is payable in accordance with the scheme rules of the employer, subject to a maximum of the Policy Account Value. An additional benefit of Rs. 5,000 is payable per member.

The insurance cover is compulsory for Gratuity, Leave Encashment and Post - Retirement Medical Benefit.

- Superannuation: Amount payable as per Scheme rules. Nominee can purchase an annuity out of the available annuity options from SUD or any one of the insurer with whom the Master Policyholder maintains superannuation funds, with or without commutation (in accordance with the provisions of Rule 90 of Income Tax Rules 1962).

If the Group Policyholder wants higher risk cover, the same may be arranged through a separate one year renewable Group Scheme of the Company for sale from time to time.

Plan Benefits

Exits due to Retirement / Early retirement/ Termination/ Resignation and other events:

- Gratuity, Leave Encashment: Benefit is payable in accordance with the scheme rules of the employer, subject to a maximum of the Policy Account Value.
- Superannuation: Amount payable as per Scheme rules. Member (Employee) can purchase an annuity out of the available annuity options from SUD or any one of the insurer with whom the Master policyholder maintains superannuation funds, with or without commutation (in accordance with the provisions of Rule 90 of Income Tax Rules 1962).

Note

- Under Superannuation Scheme if the amount payable or purchase price is insufficient to purchase an annuity of at least Rs.1,000 per month, the amount or purchase price will be paid to the employee/beneficiary/nominee in a lump sum, subject to the provisions of the Income Tax Act, 1961 and the Income Tax Rules, 1962

Post-Retirement Medical Benefit

- In case of post-retirement medical benefit schemes, on happening of the defined event as per scheme rules, benefits will be payable from the policy account of the master policyholder, subject to a maximum of the Policy Account Value.

Applicable Charges

Mortality charges:

Mortality charge of Rs.1 per 1000 sum assured per annum per member will be deducted from Policy Account Value at the start of each month.

Allocation Charges:

Distribution Channel	Allocation Charges
Individual Agents, Corporate Agents, Brokers	0.5% of contribution paid during the year or Rs.10,00,000 whichever is less
Direct Marketing	No Allocation charges

This charge would be aligned to the commission payable.

Applicable Charges

Star Union Dai-ichi Life Insurance

Surrender Charge:

The Master Policy can be surrendered any time by serving one month notice. The amount payable on surrender will be the Policy Account Value less the applicable surrender penalty less Market Value Adjustment, if any. Applicable surrender penalty is as follows:

Policy Year	Surrender Charges as a Percentage of Policy Account Value
1 – 3	0.05%, subject to a maximum of Rs. 5,00,000
4 onwards	Nil

An interim interest rate shall be declared for surrender of policy during the financial year for which regular interest rate is not yet declared. The interim interest rate for this product shall be in accordance with the board approved policy of the company. Deductions as per average policy account value will be applied on interim interest rate.

Investment Return

Star Union Dai-ichi Life Insurance

- At the end of each financial year, the company shall declare an investment return subject to minimum guaranteed interest rate of 0.10% per annum and the same will be credited to the policy account. The crediting of interest will be dependent on the Policy Account Value at the end of previous Financial Year and any contributions received thereafter, net of any premium allocation charge, mortality charge, any withdrawals and Goods & Service Tax/any other applicable tax levied subsequently, subject to changes in tax laws. The crediting will only be to the extent and duration for which the money was invested with the company. The crediting interest rate will be based on the gross yield earned in the underlying fund.
- Interest will be calculated on the funds from the day when the funds are credited with SUD Life. The interest rate credited to each fund and expenses charged to such funds shall be in accordance with the Board approved policy of the Company

Investment Return

Crediting interest rate = Max (Guaranteed Interest Rate, Gross Yield earned in the underlying fund – Deduction)

Average Policy Account Value	Deduction
Below 25cr	30bps
25 – 100cr	25bps
Above 100cr	20bps

Where:

- Underlying fund' stated in the above formula represents fund for pension scheme (superannuation benefit) named Pension Fund and life scheme (other than superannuation benefits) named Life Fund, as applicable.
- "Gross Yield earned" will be calculated separately for Pension Fund and Life Fund under this product. The Gross Yield of respective fund will be applicable to all schemes under that fund.
- Average Policy Account Value is average of Policy Account Value of all the schemes of Master Policyholder with SUD Life over the financial year.

Investment Return

This minimum floor rate of 0.10% per annum shall be:

1. Guaranteed for the entire term of the policy accumulating on the balance of the policy account; and
2. Such accumulation shall be at a daily basis on the balance of the policy account at the end of each day and credited at the end of financial year.

Market Value Adjustment

The market value adjustment is a factor used to cover the market value losses of the underlying investment in relation to the balance in the Policy Account. Market Value adjustment shall be applicable for bulk exits and complete surrender.

Market value adjustment shall be applied only if:

- i) The assets are earmarked separately for the product.
- ii) The revaluation of assets at the time of market value adjustment is carried out on the entire portfolio of assets.

Market Value Adjustment (MVA) will be calculated as per the formula below:

- MVA amount = [Maximum (0, Total Scheme Account Value – Market Value) / Total Scheme Account Value] * (Amount Withdrawn on Exit – 25% of Policy Account Value – Surrender Charges (if applicable)).

Market Value Adjustment

Where

- Total Scheme Account Value is the sum of the Scheme Account Value (including the Interim Interest accrued) of all the schemes written under the product at the time the market value adjustment is carried out.
- Policy Account Value will include Interim Interest Accrued.
- Market Value is derived from the revaluation of entire assets earmarked separately for the product at the time market value adjustment is carried out.

Bulk Exit

If the total amount on exit, due to any event including complete policy surrender, as defined in the scheme rules, in a policy year (including the current exit amount) exceeds 25% of the Policy Account Value as at the beginning of that policy year, such an exit shall be termed as a bulk exit. Market Value Adjustment (MVA) may be applicable only to the amount which is over & above the amount representing bulk exit and surrender charge.

Disclaimer

Star Union Dai-ichi Life Insurance Company Limited

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